

0-10-02

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE DEFINING "RISK MANAGEMENT CONSULTANT" TO BE PROFESSIONAL SERVICES UNDER ARKANSAS LAW; DECLARING AN EMERGENCY; AND FOR OTHER PURPOSES.**

WHEREAS, Ark. Code Ann. § 19-11-801, et seq., provides the method cities use to procure professional services, such as: legal, financial advisory, architectural, engineering, construction management, land surveying and such other professional services *as are defined by two-thirds (2/3) vote of city council*; and

WHEREAS, the law for the procurement of professional services requires that selection is based upon analysis of professional qualifications rather than bidding; and

WHEREAS, the City is considering the employment of professionals to function as Risk Management Consultants for the City and believes the proper procedure for such employment is through the RFQ process provided by State law.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NORTH LITTLE ROCK, ARKANSAS:

SECTION 1: That **Risk Management Consultant** is hereby defined to be a professional service under Ark. Code Ann. § 19-11-801, et seq. Risk Management Consultants may be used as necessary to assist the City of North Little Rock and North Little Rock Electric Department in the development of an Energy Risk Management Policy. An Energy Risk Management Policy and Program will guide the City and its Electric Department in assuming, assessing and managing the level of risk exposure in the normal course of its energy related business activities resulting from implementation of the Integrated Resource Plan (IRP). It is anticipated that the City may engage in financial or commodity transactions for the purpose of hedging its energy risk related to underlying commercial (physical) or financial exposures as authorized and directed by an Energy Risk Management Policy. The Risk Management Consultant shall:

- Develop quantitative trading strategies and hedging plans/options including specific price and volume trigger ranges or targets and timing of execution.
- Provide independent daily mark-to-market reports, quarterly cash flow-at-risk calculations and quarterly portfolio stress and scenario analysis reports.
- Provide Credit Risk Evaluation – assist NLR on credit worthiness evaluation and a "Credit Tracking" process involving financial strength and data of current and potential counterparties.
- Provide hedge strategy assessment.

SECTION 2: That all ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of the conflict.

SECTION 3: That the provisions of this Ordinance are hereby declared to be severable and if any section, phrase or provision shall be declared or held invalid, such invalidity shall not affect the remainder of the sections, phrases or provisions.

SECTION 4: It is hereby found and determined that the passage of this Ordinance is necessary in order to insure the proper representation of the City of North Little Rock, Arkansas in advancing its strategies and goals to implement the approved Integrated Resource Plan, and being necessary for the immediate preservation of the public health, safety and welfare; THEREFORE, an emergency is hereby declared to exist and this Ordinance shall be in full force and effect from and after its passage and approval.

PASSED:

APPROVED:

SPONSOR:

Patrick H. Hays  
Mayor Patrick H. Hays

Mayor Patrick H. Hays

ATTEST:

Diane Whitbey, City Clerk

APPROVED AS TO FORM:

C. Jason Carter  
C. Jason Carter, City Attorney

PREPARED BY THE OFFICE OF THE CITY ATTORNEY/b

FILED 11:32 A.M.                      P.M.

BY City Atty Carter

DATE 1-19-10

Diane Whitbey, City Clerk and Collector  
North Little Rock, Arkansas

RECEIVED by J. Marshall